

## Message Text

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ACTION IO-13

INFO OCT-01 AGRE-00 USIA-06 AID-05 EB-07 AF-10 ARA-06  
EA-07 EUR-12 NEA-10 COME-00 ISO-00 TRSE-00 OIC-02  
SP-02 L-03 H-01 /085 W  
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R 241056Z MAY 77  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 4830

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FODAG

E.O. 11652: N/A

TAGS:

SUBJECT: SECOND SESSION OF THE FAO WORKING PARTY ON ELEMENTS  
OF AN INTERNATIONAL BANANA AGREEMENT

1. EMBASSY TALKED TO WURDACK, FAO BANANA SPECIALIST, ABOUT  
UPCOMING, MAY 30-JUNE 4 SESSION OF THE FAO'S WORKING PARTY ON  
ELEMENTS OF AN INTERNATIONAL BANANA AGREEMENT.

2. ACCORDING TO WURDACK, WHO IS JUST BACK FROM VISIT TO LATIN,  
CENTRAL AND NORTH AMERICAN MEMBERS OF BANANA WORKING PARTY,  
EVERYBODY WAS REASONABLY COMPLIMENTARY OF FAO DOCUMENTATION EX-  
CEPT USG WHICH BELIEVED FAO HAD GONE BEYOND ITS MANDATE IN ALMOST  
EXCLUSIVELY DISCUSSING ECONOMIC PROVISION OF A POSSIBLE INTER-  
NATIONAL BANANA AGREEMENT.

3. ORIGINAL DRAFTS OF FAO DOCUMENTATION HAD MORE MATERIAL ON  
NON-ECONOMIC CLAUSES, BUT WURDACK'S SUPERIORS WOLFE AND LEEKS  
IN FAO COMMODITY DIVISION INSISTED ON EMPHASIZING ECONOMIC PRO-  
VISIONS WHICH ARE FIRST AND SECOND ELEMENTS IN AGREED CONCLUSION  
OF FIRST SESSION, SEE PARA 26 OF REPORT CCP BA/WP 76/4. GIVEN  
ATMOSPHERE IN UNCTAD AND FAO ON COMMODITIES AT THIS TIME,  
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FAO SECRETARIAT PROBABLY RIGHT  
IN FOCUSING PAPER AS THEY DID. ISSUE FOR USG IS TO TRY AND MOVE  
DEBATE ON TO NON-ECONOMIC CLAUSES OF A BANANA AGREEMENT. IF WE  
TAKE HARD LINE OPPOSING ECONOMIC CLAUSES, WE WILL CONCENTRATE  
DEBATE ON JUST THIS PRINCIPAL ON WHICH WE MAY BE ISOLATED WITH  
THE FEDERAL REPUBLIC OF GERMANY.

4. FROM MURDOCK WE UNDERSTAND THAT UPEB (UNION OF BANANA EXPORTING COUNTRIES) IS ALSO RELUCTANT TO MOVE AHEAD ON QUOTAS JUST WHEN ITS MEMBERS ARE CAPTURING LARGER PERCENTAGES OF EXPORT MARKETS. THUS, IF USG, WITHOUT COMMITTING ITSELF ON QUOTAS, THROWS ISSUE TO BANANA EXPORTERS, THERE WILL NOT BE AGREEMENT. OTHER DIVISIVE ISSUES SUCH AS PRICE AND PREFERENTIAL TREATMENT SHOULD ALSO CONTINUE TO KEEP EXPORTERS APART. AS IN FAO TEA NEGOTIATIONS, IF USG SEEMS FORTHCOMING, BUT ONLY ON BASIS THAT THERE IS FULL EXPORTERS' AGREEMENT, WE KEEP TALKS GOING, MAINTAIN FAO IN FOREFRONT AS DISTINCT FROM UNCTAD, AND AVOID USG BEING BLAMED FOR FAILURE. IF ON THE OTHER HAND AND UNEXPECTEDLY THE EXPORTERS DO REACH AGREEMENT, WE WOULD NOT HAVE LOST MUCH, SINCE WE WILL MEET WITH THEM IN UNCTAD IN ANY CASE WHERE WE COULD NOT REFUSE TO DISCUSS ECONOMIC PROVISIONS. UNCTAD PREPARATORY MEETING ON BANANAS IS NOW SCHEDULED FOR OCT 31 - NOV 4, BUT UNCTAD SECRETARIAT HAS NOT PREPARED ANYTHING SINCE IT IS WAITING FOR RESULTS OF THIS MEETING. THUS, FROM PERSPECTIVE OF ROME, IT WOULD SEEM ADVISABLE TO HAVE 1) FLEXIBLE POSITION ON ECONOMIC CLAUSES, 2) BE PREPARED TO RAISE AS MANY DIVISIVE QUESTIONS AS POSSIBLE ON QUOTAS, PRODUCTION FORECASTS, DEMAND FORECASTS, PRICES AND PREFERENCES AND 3) SOUND AS IF WE ARE READY TO MOVE IN FAO ON NON-ECONOMIC CLAUSES.

5. WITH ONLY ELEMEN MEMBERS OF BANANA WORKING PARTY, THE ELECTION OF A CHAIRMAN IS A PROBLEM. FAO SECRETARIAT SEES PHILIPPINES AS LOGICAL CHOICE, IF THERE IS NO CONSUMER CANDIDATE. LANUZA, PHILIPPINE DELEGATE WOULD NOT CHAIR MEETING HIMSELF, HOWEVER.

6. SINCE CONSUMER SOLIDARITY WAS SO EFFECTIVE AT LAST BANANA WORKING PARTY MEETING, WE SHOULD SEEK AN EARLY BREAK IN SESSIONS LIMITED OFFICIAL USE

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IN ORDER TO HOLD CONSUMER MEETING. EITHER MAY 30 AFTERNOON OR MORNING OF MAY 31 WOULD SEEM ADVISABLE, BUT WE SHOULD ARRANGE THIS BEFORE SESSION OPENS ON MAY 30 IF POSSIBLE. ONLY POSSIBLE PROBLEM WITH THIS SCENARIO IS THAT UPEB IS SAID NOT TO WANT TO MEET WITH BANANA EXPORTING COUNTRIES, BUT FINAL UPEB AND ECUADOR POSITIONS WILL BE KNOWN AFTER THEY MEET FRIDAY, MAY 27. THEY WILL MEET WITH FAO SECRETARIAT, SUNDAY MAY 29. GARDNER

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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